

VZCZCXRO2368  
PP RUEHBC RUEHDE RUEHIHL RUEHKUK  
DE RUEHGB #3759/01 3351143  
ZNY CCCCC ZZH  
P 301143Z NOV 08  
FM AMEMBASSY BAGHDAD  
TO RUEHC/SECSTATE WASHDC PRIORITY 0615  
INFO RUCNRAQ/IRAQ COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003759

SIPDIS

E.O. 12958: DECL: 11/30/2018  
TAGS: [PGOV](#) [PINR](#) [SOCI](#) [IZ](#) [ECON](#) [EINV](#)  
SUBJECT: MUTHANNA GOVERNOR AND PC CHAIRMAN DISCUSS  
PROVINCIAL ELECTIONS, SOFA, AND FOREIGN INVESTMENT

REF: A. BAGHDAD 3682  
[1](#)B. BAGHDAD 3654

Classified By: Senior Advisor Gordon Gray for reasons 1.4 (b) and (d).

-----  
Summary  
-----

[1](#)1. (C) The governor and Provincial Council chairman told Senior Advisor Gray and Provincial Reconstruction Team (PRT) Muthanna staff on November 24 that the elections will be successful and free of violence, the SOFA agreement should pass, and foreign investment will continue to be a top priority of the province. End summary.

-----  
Provincial Elections Preview  
-----

[1](#)2. (C) During a November 24 visit, Senior Advisor Gray and PRT Muthanna staff met separately with Muthanna's Governor Ahmed Marzook and Provincial Council (PC) Chairman Abdul Hussein Al-Dhalimi on a wide range of issues. Marzook and Dhalimi predicted the upcoming provincial elections will be more successful than in 2005. They said the drastically improved security situation will dampen intimidation and the large number of candidates (about 868 spread among 49 political parties) will create an outcome more reflective of the population. Both officials said voters will not be intimidated or dissuaded from voting because Muthanna continues to be one of the most peaceful areas in Iraq.

[1](#)3. (C) When queried about the role that foreign interference will play in the election, the PC Chairman Dhalimi responded, "I do not support these concerns." Dhalimi said foreign influence is always present in democracies, but downplayed its effect in Muthanna. Governor Marzook, however, hinted at Iranian support for his opponents. This unease was made explicit in a separate meeting with Thair Marzook, the governor's brother, who told us in that Iranian intelligence was funding select parties, allowing them to better disseminate propaganda. Thair, who said he was running his brother's campaign, asked the U.S. to support "us" through preferential reconstruction contracts, promising in return a strategic friend willing to take on external influence and local militias. PRT Muthanna refused, reminding the governor's brother that the U.S. is supporting a democratic process, not specific parties.

[1](#)4. (C) Governor Marzook and PC Chairman Dhalimi noted that due to the large number of political parties participating in the upcoming election, no single party will dominate in Muthanna. Governor Marzook jokingly declared, "I assure victory for my list." (Note: Governor Marzook is running on an independent party list. End note.) When pressed, Governor Marzook conceded that five to eight major parties will be competitive in this election. (Note: The current 41-member PC is comprised of nine parties or coalitions of independent members. Given that the next PC will only be 26

members, a many current PC members will lose their seats.  
End note.)

-----  
SOFA  
-----

¶5. (C) Both the PC chairman and the governor hoped the Status of Forces Agreement (SOFA) would pass the Council of Representatives (CoR) because it provides an organized way for the U.S. to depart Iraq. (Note: The CoR passed the SOFA on November 27. End note.) PC Chairman Dhalimi commented that debate in the CoR is positive, as it helps educate Iraqis on the arguments in favor and against the SOFA. He also said the SOFA enjoys a great deal of support in Muthanna, given the large demonstrations in support in recent days (ref A).

-----  
Foreign Direct Investment  
-----

¶6. (C) The PC chairman and other PC members who attended the meeting talked about the importance of investment, and noted the active role the Provincial Investment Commission (PIC) is playing in attracting business to Muthanna. They listed the province's investment priorities, particularly heavy industry, which largely paralleled recent PRT discussions with the PIC chairman (ref B). Specifically, Dhalimi said Muthanna seeks investment in cement plants, construction materials, and a 30,000 unit housing project.

BAGHDAD 00003759 002 OF 002

¶7. (C) Similar to previous discussions, the PC chairman stressed the desire for U.S. companies to invest. One of the licenses recently issued by the PIC had a Chinese company listed as a subcontractor on the project. A participant in the meeting noted with dismay, "we did not expect China to come before the U.S." with private sector funding. PRT Muthanna's team leader emphasized to the PC chairman that the PRT has a full-time attach from the Commerce Department who is spearheading the private investment portfolio for the PRT.

¶8. (C) In order to aid in the process of attracting direct investment from the U.S., the officials in the PC Chairman's office asked for PRT help in facilitating meetings with American businesses, either in Iraq or back in the United States. One PC member noted that the visa process to gain entry into the U.S. can be cumbersome, and hoped Embassy Baghdad can help facilitate the issuance of visas and other required documents.

-----  
Comment  
-----

¶9. (C) This round of meetings further demonstrate the importance placed by the PC and the Governor on maintaining a substantive relationship with the PRT and the U.S. Mission. If our Iraqi interlocutors' predictions are correct with regard to the success of the upcoming elections, the PRT expects that the Muthanna's relative calm will attract more foreign investors. End comment.  
CROCKER